

<i>SERFF Tracking Number:</i>	<i>TRVD-125310854</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Discover Property and Casualty Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026281</i>
<i>Company Tracking Number:</i>	<i>2007-09-0047</i>		
<i>TOI:</i>	<i>17.0 Other Liability - Claims Made/Occurrence</i>	<i>Sub-TOI:</i>	<i>17.0001 Commercial General Liability</i>
<i>Product Name:</i>	<i>Commercial General Liability</i>		
<i>Project Name/Number:</i>	<i>Abuse or Molestation/2007-09-0047</i>		

## Filing at a Glance

Company: Discover Property and Casualty Insurance Company		
Product Name: Commercial General Liability	SERFF Tr Num: TRVD-125310854	State: Arkansas
TOI: 17.0 Other Liability - Claims Made/Occurrence	SERFF Status: Closed	State Tr Num: AR-PC-07-026281
Sub-TOI: 17.0001 Commercial General Liability	Co Tr Num: 2007-09-0047	State Status:
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
	Authors: Karen Christiansen, Kathleen Pohlman	Disposition Date: 10/10/2007
	Date Submitted: 10/02/2007	Disposition Status: Approved
Effective Date Requested (New): 11/01/2007		Effective Date (New):
Effective Date Requested (Renewal): 11/01/2007		Effective Date (Renewal):

## General Information

Project Name: Abuse or Molestation	Status of Filing in Domicile: Authorized
Project Number: 2007-09-0047	Domicile Status Comments:
Reference Organization: NA	Reference Number: NA
Reference Title: NA	Advisory Org. Circular: NA
Filing Status Changed: 10/10/2007	
State Status Changed: 10/02/2007	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	

With this filing, we are introducing three new optional endorsements for use with our General Liability product. Two new forms provide limited coverage for abuse or molestation liability. Our new exclusion closely tracks with the new endorsements. These proposed forms create additional options to keep us competitive and make this type of coverage more broadly available in the marketplace.

Due to the unique nature of these endorsements, coverages will be determined on an "a" rated basis.

SERFF Tracking Number: TRVD-125310854 State: Arkansas  
Filing Company: Discover Property and Casualty Insurance State Tracking Number: AR-PC-07-026281  
Company  
Company Tracking Number: 2007-09-0047  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0001 Commercial General Liability  
Product Name: Commercial General Liability  
Project Name/Number: Abuse or Molestation/2007-09-0047

Please refer to the enclosed Forms Memorandum for more specific information regarding the following endorsements.

- DG 21 13 06 07, Exclusion – Abuse and Molestation
- DG 24 33 06 07, Limited Abuse or Molestation Liability Coverage
- DG 24 34 06 07, Limited Abuse or Molestation Liability Coverage – Not-For-Profit Entities

## Company and Contact

### Filing Contact Information

Kathleen Pohlman, Senior Regulatory Analyst KPOHLMAN@travelers.com  
385 Washington Street (651) 310-5573 [Phone]  
St. Paul, MN 55102 (651) 310-4361[FAX]

### Filing Company Information

Discover Property and Casualty Insurance CoCode: 36463 State of Domicile: Illinois  
Company  
385 Washington Street Group Code: 3548 Company Type:  
St. Paul, MN 55102 Group Name: State ID Number:  
(651) 310-7782 ext. [Phone] FEIN Number: 36-2999370  
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## Filing Fees

Fee Required? Yes  
Fee Amount: \$50.00  
Retaliatory? No  
Fee Explanation: \$50.00 for form filing  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Discover Property and Casualty Insurance Company	\$50.00	10/02/2007	15913272

*SERFF Tracking Number:* TRVD-125310854 *State:* Arkansas  
*Filing Company:* Discover Property and Casualty Insurance *State Tracking Number:* AR-PC-07-026281  
*Company*  
*Company Tracking Number:* 2007-09-0047  
*TOI:* 17.0 Other Liability - Claims Made/Occurrence *Sub-TOI:* 17.0001 Commercial General Liability  
*Product Name:* Commercial General Liability  
*Project Name/Number:* Abuse or Molestation/2007-09-0047

## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Approved	Edith Roberts	10/10/2007	10/10/2007

*SERFF Tracking Number:* TRVD-125310854 *State:* Arkansas  
*Filing Company:* Discover Property and Casualty Insurance *State Tracking Number:* AR-PC-07-026281  
*Company*  
*Company Tracking Number:* 2007-09-0047  
*TOI:* 17.0 Other Liability - Claims Made/Occurrence *Sub-TOI:* 17.0001 Commercial General Liability  
*Product Name:* Commercial General Liability  
*Project Name/Number:* Abuse or Molestation/2007-09-0047

## **Disposition**

Disposition Date: 10/10/2007

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: TRVD-125310854 State: Arkansas

Filing Company: Discover Property and Casualty Insurance State Tracking Number: AR-PC-07-026281  
Company

Company Tracking Number: 2007-09-0047

TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0001 Commercial General Liability

Product Name: Commercial General Liability

Project Name/Number: Abuse or Molestation/2007-09-0047

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Filing Memo	Approved	Yes
Supporting Document	Cover letter	Approved	Yes
Form	Exclusion - Abuse and Molestation	Approved	Yes
Form	Limited Abuse or Molestation Liability Coverage	Approved	Yes
Form	Limited Abuse or Molestation Liability Coverage - Not-For-Profit Entities	Approved	Yes

SERFF Tracking Number: TRVD-125310854 State: Arkansas

Filing Company: Discover Property and Casualty Insurance State Tracking Number: AR-PC-07-026281

Company

Company Tracking Number: 2007-09-0047

TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0001 Commercial General Liability

Product Name: Commercial General Liability

Project Name/Number: Abuse or Molestation/2007-09-0047

## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Exclusion - Abuse and Molestation	DG 21 13	06 07	Endorsement/Amendment/Conditions		0.00	DG21130607.pdf
Approved	Limited Abuse or Molestation Liability Coverage	DG 24 33	06 07	Endorsement/Amendment/Conditions		0.00	DG24330607.pdf
Approved	Limited Abuse or Molestation Liability Coverage - Not-For-Profit Entities	DG 24 34	06 07	Endorsement/Amendment/Conditions		0.00	DG24340607.pdf

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - ABUSE AND MOLESTATION**

This endorsement modifies insurance provided under the following:  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A.** The following exclusion is added to Paragraph 2., Exclusions of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY and Paragraph 2., Exclusions of SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY:

### **Abuse Or Molestation**

This insurance does not apply to “bodily injury”, “property damage”, or “personal and advertising injury” arising out of any act of “abuse or molestation”.

- B.** The following is added to SECTION V - DEFINITIONS:

“Abuse or molestation” means any illegal or offensive physical act or contact committed by any “perpetrator” against any person who is:

- a.** Under 18 years of age;
- b.** Legally incompetent; or
- c.** In the care, custody or control of any insured and is physically or mentally incapable of consenting to such physical act or contact.

“Perpetrator” means any of the following persons who actually or allegedly commit any illegal or offensive physical act or contact:

- a.** You or your spouse, if you are an individual;
- b.** Your partners or members, or their spouses, if you are a partnership or joint venture;
- c.** Your managers or members, if you are a limited liability company;
- d.** Your “executive officers” or directors, if you are an organization other than a partnership, joint venture or limited liability company;
- e.** Your “employees” or “volunteer workers”; or
- f.** Any other person acting together with any of the persons described in Paragraphs **a.** through **e.** above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## LIMITED ABUSE OR MOLESTATION LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

### SCHEDULE

Abuse Or Molestation Aggregate Limit	\$
Each Abuse Or Molestation Offense Limit	\$

### PROVISIONS

- A. The following is added to Paragraph 2., Exclusions of SECTION I – Coverage A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

**Abuse Or Molestation**

“Bodily injury” arising out of any act of “abuse or molestation”.

- B. The following is added to Paragraph 2., Exclusions of SECTION I – Coverage B – PERSONAL AND ADVERTISING INJURY LIABILITY:

**Abuse Or Molestation**

“Personal and advertising injury” arising out of any act of “abuse or molestation”.

- C. The following is added to SECTION I - COVERAGES:

**COVERAGE - ABUSE OR MOLESTATION LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “bodily injury” or “personal and advertising injury” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any “suit” seeking damages for “bodily injury” or “personal and advertising injury” to which this insurance does not apply. We may, at our discretion, investigate any “abuse or molestation offense” and settle any claim or “suit” that may result. But:

- (1) The amount we will pay for damages is limited as described in SECTION III – LIMITS OF INSURANCE; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under COVERAGE – ABUSE OR MOLESTATION LIABILITY.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to “bodily injury” or “personal and advertising injury” caused by an “abuse or molestation offense” arising out of your business but only if the “abuse or molestation offense” was committed in the “coverage territory” during the policy period. An “abuse or molestation offense” involving multiple, continuous, sporadic or related acts of



“abuse or molestation” will be deemed to have been committed on the date the first of such acts is committed, regardless of when such acts are actually committed.

## **2. Exclusions**

This insurance does not apply to:

### **a. Directed Or Knowingly Allowed Acts**

“Bodily injury” or “personal and advertising injury” arising out of an “abuse or molestation offense” committed at the direction of the insured or that the insured knowingly allowed to happen.

### **b. Failure To Report**

“Bodily injury” or “personal and advertising injury” arising out of a failure by the insured having knowledge of an act of “abuse or molestation” to comply with any applicable federal, state or local law, ordinance or regulation which requires the reporting of such act.

### **c. Known History**

“Bodily injury” or “personal and advertising injury” arising out of the employment, or the use as a “volunteer worker”, of a person who had a history of committing “abuse or molestation” of which the insured had knowledge:

(1) Before or during that person’s employment or use as a “volunteer worker”; and

(2) Before that person committed the “abuse or molestation offense”.

### **d. Sexual Harassment**

“Bodily injury” or “personal and advertising injury” arising out of “sexual harassment”.

### **e. Known Prior Acts**

“Bodily injury” or “personal and advertising injury” arising out of any act in an “abuse or molestation offense” if any insured listed under Paragraph 1. of Section II – Who Is An Insured or any “employee” authorized by you to give or receive notice of an “abuse or molestation offense” or claim was aware of such act prior to the effective date of this COVERAGE – ABUSE OR MOLESTATION LIABILITY.

### **f. Contractual Liability**

“Bodily injury” or “personal and advertising injury” for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an “insured contract”, provided the “bodily injury” or “personal and advertising injury” is caused by an “abuse or molestation offense” committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an “insured contract”, reasonable attorneys fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of “bodily injury” or “personal and advertising injury”, provided:

(a) Liability to such party for, or for the cost of, that party’s defense has also been assumed in the same “insured contract”; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### **g. Workers’ Compensation And Similar Laws**

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

#### **h. Employer's Liability**

"Bodily injury" to:

- (1)** An "employee" of the insured arising out of and in the course of employment by the insured; or
- (2)** The spouse, child, parent, brother or sister of that "employee" as a consequence of **(1)** above.

This exclusion applies:

- (1)** Whether the insured may be liable as an employer or in any other capacity; and
- (2)** To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- D.** The following replaces the title SUPPLEMENTARY PAYMENTS – COVERAGES A AND B of SECTION I - COVERAGES:

#### **SUPPLEMENTARY PAYMENTS**

- E.** The following is added to SECTION II – WHO IS AN INSURED:

None of the following is an insured for "bodily injury" or "personal and advertising injury" caused by an "abuse or molestation offense":

- a.** Any "perpetrator".
- b.** Any person or organization that has been added to your policy as an additional insured, or any employee, leased worker, agent, representative or volunteer worker of such person or organization. However, if you have agreed in a "written contract requiring insurance" to include such person or organization as an additional insured on this Coverage Part, such person or organization is an insured, but only to the extent that the "bodily injury" or "personal and advertising injury" is caused by an "abuse or molestation offense" arising out of your business. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

In the event that the Abuse Or Molestation Aggregate Limit or the Each Abuse Or Molestation Offense Limit exceeds the limits of liability required by the "written contract requiring insurance", the insurance provided to the additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in SECTION III – LIMITS OF INSURANCE.

- c.** Any of your independent contractors, or any employee, leased worker, agent, representative or volunteer worker of such independent contractor.

- F.** The following is added to SECTION III – LIMITS OF INSURANCE:

The Abuse Or Molestation Aggregate Limit is the most we will pay for the sum of all damages under COVERAGE – ABUSE OR MOLESTATION LIABILITY. This limit is in addition to, and not included within, the General Aggregate Limit set forth in Paragraph 2. of SECTION III – LIMITS OF INSURANCE.

Subject to the Abuse Or Molestation Aggregate Limit, the Each Abuse Or Molestation Offense Limit is the most we will pay under COVERAGE – ABUSE OR MOLESTATION LIABILITY for the sum of all damages because of "bodily injury" and "personal and advertising injury" arising out of any one "abuse or molestation offense". This limit is in addition to, and not included within, the Each Occurrence Limit set forth in Paragraph 5. of SECTION III – LIMITS OF INSURANCE and the Personal and Advertising Injury Limit set forth in Paragraph 4. of SECTION III – LIMITS OF INSURANCE.

**G. The following is added to Paragraph 4. of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If valid and collectible other insurance is available to the insured for a loss we cover under COVERAGE – ABUSE OR MOLESTATION LIABILITY, this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is primary. However, this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured under any other insurance.

If this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by one of the following methods:

- (1)** If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each provider of insurance contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.
- (2)** If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, the share of each provider of insurance is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all providers of insurance.

However, if you specifically agree in a “written contract requiring insurance” that the insurance provided to any person or organization as an additional insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is primary to other insurance that is available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that other insurance. But this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY still is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under any other insurance.

When this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is excess, we will have no duty under COVERAGE – ABUSE OR MOLESTATION LIABILITY to defend the insured against any “suit” if any provider of other insurance has a duty to defend the insured against that “suit”. If no provider of other insurance defends, we will undertake to do so, but we will be entitled to the insured’s rights against all those providers of other insurance.

We will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1)** The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2)** The total of all deductible and self-insured amounts under all that other insurance.

**H. The following is added to SECTION V - DEFINITIONS:**

“Abuse or molestation” means any illegal or offensive physical act or contact committed by any “perpetrator” against any person who is:

- a.** Under 18 years of age;
- b.** Legally incompetent; or
- c.** In the care, custody or control of any insured and is physically or mentally incapable of consenting to such physical act or contact.

“Abuse or molestation offense” means a single act of “abuse or molestation”, or multiple, continuous, sporadic or related acts of “abuse or molestation”, committed by:

- a.** One “perpetrator”; or
- b.** Two or more “perpetrators” acting together.

All such acts of “abuse or molestation” will be deemed to be one “abuse or molestation offense”, regardless of the number of:

- a.** Insureds;
- b.** Claims made or “suits” brought; or
- c.** Persons or organizations making claims or bringing “suits”.

“Perpetrator” means any of the following persons who actually or allegedly commit any illegal or offensive physical act or contact:

- a.** You or your spouse, if you are an individual;
- b.** Your partners or members, or their spouses, if you are a partnership or joint venture;
- c.** Your managers or members, if you are a limited liability company;
- d.** Your “executive officers” or directors, if you are an organization other than a partnership, joint venture or limited liability company;
- e.** Your “employees” or “volunteer workers”; or
- f.** Any other person acting together with any of the persons described in Paragraphs **a.** through **e.** above.

“Sexual harassment” means illegal or offensive non-physical acts, or verbal comments, of a sexual nature.

“Written contract requiring insurance” means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the “bodily injury” or the “personal and advertising injury” is caused by an “abuse or molestation offense” committed:

- a.** After the signing and execution of the contract or agreement by you;
- b.** While that part of the contract or agreement is in effect; and
- c.** During the policy period.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **LIMITED ABUSE OR MOLESTATION LIABILITY COVERAGE – NOT - FOR - PROFIT ENTITIES**

This endorsement modifies insurance provided under the following:  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

### **SCHEDULE**

<b>Abuse Or Molestation Aggregate Limit</b>	<b>\$</b>
<b>Each Abuse Or Molestation Offense Limit</b>	<b>\$</b>

### **PROVISIONS**

- A.** The following is added to Paragraph 2., Exclusions of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

**Abuse Or Molestation**

“Bodily injury” arising out of any act of “abuse or molestation”.

- B.** The following is added to Paragraph 2., Exclusions of SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY:

**Abuse Or Molestation**

“Personal and advertising injury” arising out of any act of “abuse or molestation”.

- C.** The following is added to SECTION - COVERAGES:

**COVERAGE - ABUSE OR MOLESTATION LIABILITY**

**1. Insuring Agreement**

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of “bodily injury” or “personal and advertising injury” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any “suit” seeking damages for “bodily injury” or “personal and advertising injury” to which this insurance does not apply. We may, at our discretion, investigate any “abuse or molestation offense” and settle any claim or “suit” that may result. But:

- (1)** The amount we will pay for damages is limited as described in SECTION III – LIMITS OF INSURANCE; and
- (2)** Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under COVERAGE – ABUSE OR MOLESTATION LIABILITY.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b.** This insurance applies to “bodily injury” or “personal and advertising injury” caused by an “abuse or molestation offense” arising out of your business but only if the “abuse or molestation offense” was committed in the “coverage territory” during the policy period. An “abuse or molestation offense” involving multiple, continuous, sporadic or related acts of “abuse or molestation” will be deemed to have been committed on the date the first of such acts is committed, regardless of when such acts are actually committed.

## 2. Exclusions

This insurance does not apply to:

### a. Directed Or Knowingly Allowed Acts

"Bodily injury" or "personal and advertising injury" arising out of an "abuse or molestation offense" committed at the direction of the insured or that the insured knowingly allowed to happen.

### b. Failure To Report

"Bodily injury" or "personal and advertising injury" arising out of a failure by the insured having knowledge of an act of "abuse or molestation" to comply with any applicable federal, state or local law, ordinance or regulation which requires the reporting of such act.

### c. Known History

"Bodily injury" or "personal and advertising injury" arising out of the employment, or the use as a "volunteer worker", of a person who had a history of committing "abuse or molestation" of which the insured had knowledge:

- (1) Before or during that person's employment or use as a "volunteer worker"; and
- (2) Before that person committed the "abuse or molestation offense".

### d. Sexual Harassment

"Bodily injury" or "personal and advertising injury" arising out of "sexual harassment".

### e. Known Prior Acts

"Bodily injury" or "personal and advertising injury" arising out of any act in an "abuse or molestation offense" if any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "abuse or molestation offense" or claim was aware of such act prior to the effective date of this COVERAGE – ABUSE OR MOLESTATION LIABILITY.

### f. Contractual Liability

"Bodily injury" or "personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "personal and advertising injury" is caused by an "abuse or molestation offense" committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "personal and advertising injury", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### g. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

### h. Employer's Liability

"Bodily injury" to:

- (1) An “employee” of the insured arising out of and in the course of employment by the insured; or
- (2) The spouse, child, parent, brother or sister of that “employee” as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**D. The following replaces the title SUPPLEMENTARY PAYMENTS – COVERAGES A AND B of SECTION I - COVERAGES:**

**SUPPLEMENTARY PAYMENTS**

**E. The following is added to Section II – Who Is An Insured:**

None of the following is an insured for “bodily injury” or “personal and advertising injury” caused by an “abuse or molestation offense”:

- a. Any “perpetrator”. However, with respect to any “perpetrator” that is your “volunteer worker”, this subparagraph does not apply to our duty to defend until:
  - (1) It is determined through an “independent finding of fact” that such “volunteer worker” actually committed such “abuse or molestation offense”; or
  - (2) Such “volunteer worker” admits in writing, or orally by testimony, that he or she actually committed such “abuse or molestation offense”.

- b. Any person or organization that has been added to your policy as an additional insured, or any employee, leased worker, agent, representative or volunteer worker of such person or organization. However, if you have agreed in a “written contract requiring insurance” to include such person or organization as an additional insured on this Coverage Part, such person or organization is an insured, but only to the extent that the “bodily injury” or “personal and advertising injury” is caused by an “abuse or molestation offense” arising out of your business. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

In the event that the Abuse Or Molestation Aggregate Limit or the Each Abuse Or Molestation Offense Limit exceeds the limits of liability required by the “written contract requiring insurance”, the insurance provided to the additional insured shall be limited to the limits of liability required by that “written contract requiring insurance”. This endorsement shall not increase the limits of insurance described in SECTION III – LIMITS OF INSURANCE.

- c. Any of your independent contractors, or any employee, leased worker, agent, representative or volunteer worker of such independent contractor.

**F. The following is added to SECTION III – LIMITS OF INSURANCE:**

The Abuse Or Molestation Aggregate Limit is the most we will pay for the sum of all damages under COVERAGE – ABUSE OR MOLESTATION LIABILITY. This limit is in addition to, and not included within, the General Aggregate Limit set forth in Paragraph 2. of SECTION III – LIMITS OF INSURANCE.

Subject to the Abuse Or Molestation Aggregate Limit, the Each Abuse Or Molestation Offense Limit is the most we will pay under COVERAGE – ABUSE OR MOLESTATION LIABILITY for the sum of all damages because of “bodily injury” and “personal and advertising injury” arising out of any one “abuse or molestation offense”. This limit is in addition to, and not included within, the Each Occurrence Limit set forth in Paragraph 5. of SECTION III – LIMITS OF INSURANCE and the Personal and Advertising Injury Limit set forth in Paragraph 4. of SECTION III – LIMITS OF INSURANCE.

**G. The following is added to Paragraph 4. of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

If valid and collectible other insurance is available to the insured for a loss we cover under COVERAGE – ABUSE OR MOLESTATION LIABILITY, this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is primary. However, this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured under any other insurance.

If this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by one of the following methods:

- (1)** If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each provider of insurance contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.
- (2)** If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, the share of each provider of insurance is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all providers of insurance.

However, if you specifically agree in a “written contract requiring insurance” that the insurance provided to any person or organization as an additional insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is primary to other insurance that is available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that other insurance. But this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY still is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under any other insurance.

When this insurance for COVERAGE – ABUSE OR MOLESTATION LIABILITY is excess, we will have no duty under COVERAGE – ABUSE OR MOLESTATION LIABILITY to defend the insured against any “suit” if any provider of other insurance has a duty to defend the insured against that “suit”. If no provider of other insurance defends, we will undertake to do so, but we will be entitled to the insured’s rights against all those providers of other insurance.

We will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1)** The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2)** The total of all deductible and self-insured amounts under all that other insurance.

**H. The following is added to SECTION V - DEFINITIONS:**

“Abuse or molestation” means any illegal or offensive physical act or contact committed by any “perpetrator” against any person who is:

- a.** Under 18 years of age;
- b.** Legally incompetent; or
- c.** In the care, custody or control of any insured and is physically or mentally incapable of consenting to such physical act or contact.

“Abuse or molestation offense” means a single act of “abuse or molestation”, or multiple, continuous, sporadic or related acts of “abuse or molestation”, committed by:

- a.** One “perpetrator”; or
- b.** Two or more “perpetrators” acting together.

All such acts of “abuse or molestation” will be deemed to be one “abuse or molestation offense”, regardless of the number of:



- a.** Insureds;
- b.** Claims made or “suits” brought; or
- c.** Persons or organizations making claims or bringing “suits”.

“Independent finding of fact” means any finding of fact:

- a.** By any governmental agency, body, or subdivision;
- b.** By an industry self-regulatory body; or
- c.** In a judicial proceeding.

“Perpetrator” means any of the following persons who actually or allegedly commit any illegal or offensive physical act or contact:

- a.** You or your spouse, if you are an individual;
- b.** Your partners or members, or their spouses, if you are a partnership or joint venture;
- c.** Your managers or members, if you are a limited liability company;
- d.** Your “executive officers” or directors, if you are an organization other than a partnership, joint venture or limited liability company;
- e.** Your “employees” or “volunteer workers”; or
- f.** Any other person acting together with any of the persons described in Paragraphs **a.** through **e.** above.

“Sexual harassment” means illegal or offensive non-physical acts, or verbal comments, of a sexual nature.

“Written contract requiring insurance” means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the “bodily injury” or the “personal injury” is caused by an “abuse or molestation offense” committed:

- a.** After the signing and execution of the contract or agreement by you;
- b.** While that part of the contract or agreement is in effect; and
- c.** During the policy period.

State: *Arkansas*

*State Tracking Number:* AR-PC-07-026281

*Sub-TOI: 17.0001 Commercial General Liability*

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*Sub-TOI: 17.0001 Commercial General Liability*

*Sub-TOI: 17.0001 Commercial General Liability*

*Sub-TOI: 17.0001 Commercial General Liability*

SERFF Tracking Number: TRVD-125310854 State: Arkansas  
Filing Company: Discover Property and Casualty Insurance State Tracking Number: AR-PC-07-026281  
Company  
Company Tracking Number: 2007-09-0047  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0001 Commercial General Liability  
Product Name: Commercial General Liability  
Project Name/Number: Abuse or Molestation/2007-09-0047

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 10/10/2007

**Comments:**

**Attachment:**

NAIC Transmittal Doc.pdf

**Satisfied -Name:** Filing Memo **Review Status:** Approved 10/10/2007

**Comments:**

**Attachment:**

Forms Memo.pdf

**Satisfied -Name:** Cover letter **Review Status:** Approved 10/10/2007

**Comments:**

**Attachment:**

AR 'a' rate Letter.pdf

# Property & Casualty Transmittal Document

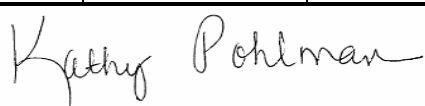
<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

<b>3. Group Name</b>	<b>Group NAIC #</b>
Travelers	3548

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Discover Property & Casualty Insurance Company	IL	36463	36-2999370	

<b>5. Company Tracking Number</b>	2007-09-0047
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Kathy Pohlman 385 Washington St. St. Paul MN 55102	Senior Regulatory Analyst	651.310.5573 800.328.2189 Ext. 05573	651.310.4361	kpohlman@travelers.com
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>		Kathy Pohlman		

**Filing information** (see General Instructions for descriptions of these fields)

<b>9. Type of Insurance (TOI)</b>	17.0000 Other Liability
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	17.0001 Commercial General Liability
<b>11. State Specific Product code(s) (if applicable)[See State Specific Requirements]</b>	N/A
<b>12. Company Program Title (Marketing title)</b>	
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14. Effective Date(s) Requested</b>	New: 11/1/07                      Renewal: 11/1/07
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16. Reference Organization (if applicable)</b>	N/A
<b>17. Reference Organization # &amp; Title</b>	N/A
<b>18. Company's Date of Filing</b>	October 2, 2007
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

**Property & Casualty Transmittal Document—**

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	2007-09-0047
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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With this filing, we are introducing three new optional endorsements for use with our General Liability product. Two new forms provide limited coverage for abuse or molestation liability. Our new exclusion closely tracks with the new endorsements. These proposed forms create additional options to keep us competitive and make this type of coverage more broadly available in the marketplace.

Due to the unique nature of these endorsements, coverages will be determined on an “a” rated basis.

Please refer to the enclosed Forms Memorandum for more specific information regarding the following endorsements.

- DG 21 13 06 07, Exclusion – Abuse and Molestation
- DG 24 33 06 07, Limited Abuse or Molestation Liability Coverage
- DG 24 34 06 07, Limited Abuse or Molestation Liability Coverage – Not-For-Profit Entities

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p><b>Check #:</b> NA - EFT  <b>Amount:</b> \$50.00</p> <p><b>Refer to each state’s checklist for additional state specific requirements or instructions on calculating fees.</b></p>	

**\*\*\*Refer to the each state’s checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**DG 21 13 Exclusion – Abuse and Molestation**

New optional exclusion which tracks with the following two coverage forms.

**DG 24 33 Limited Abuse Or Molestation Liability Coverage**

The insuring agreement provides coverage for bodily injury or personal and advertising injury caused by an “abuse or molestation offense” arising out of the named insured’s business. If an “abuse or molestation offense” involves multiple, continuous, sporadic or related acts, it is deemed to have been committed on the date the first of such acts is committed. Defense of the insured against suits is provided, with these defense costs provided in addition to the limits.

The defined term “abuse or molestation offense” includes multiple, continuous, sporadic or related acts of “abuse or molestation”, committed by one “perpetrator” or by two or more “perpetrators” acting together. “Abuse or molestation” is in turn defined as any illegal or offensive physical act or contact committed by any “perpetrator” against a person who is under 18, legally incompetent, or in the named insured’s care, custody or control and physically or mentally incapable of consenting to such act or contact. A “perpetrator” is defined generally as any person who actually or allegedly committed the illegal or offensive physical act or contact. Neither defense nor indemnity coverage is provided for the “perpetrator”.

Limits are provided for each “abuse or molestation offense”, subject to an annual aggregate. These limits are separate from, and in addition to, the other limits of insurance under the CGL.

**DG 24 34 Limited Abuse Or Molestation Liability Coverage - Not-For-Profit Entities**

Same coverage as CG D3 83, except that any “perpetrator” that is a volunteer worker is provided a defense until:

1. It is determined through an “independent finding of fact” (as defined) that such volunteer worker actually committed such “abuse or molestation offense”; or
  2. Such volunteer worker admits in writing, or orally by testimony, that he or she actually committed such “abuse or molestation offense”.
-



**Kathy Pohlman, CPCU, AIS**  
Sr. Regulatory Analyst  
Regulatory Affairs, Business Insurance  
385 Washington Street, 9275-NB14L  
St. Paul, MN 55102  
Direct: (651) 310-5573; Fax: (651) 310-4361  
Toll Free: (800) 328-2189 Ext. 05573  
Email: kpohlman@travelers.com

October 2, 2007

Commissioner Julie Benafield Bowman  
Commissioner of Insurance  
State of Arkansas  
1200 West Third Street  
3<sup>rd</sup> and Cross  
Little Rock, Arkansas 72201-1904

**Discover Property & Casualty Insurance Company – 3548-36463**

Commercial General Liability

Abuse or Molestation

Forms Submission

**Our Company Filing Number: 2007-09-0047**

Dear Commissioner:

In compliance with the insurance laws and regulations in your state, our company respectfully submits the attached filing for your review and consideration.

With this filing, we are introducing three new optional endorsements for use with our General Liability product. Two new forms, DG 24 33 06 07 and DG 24 34 06 07, provide limited coverage for abuse or molestation liability and do not replace any existing coverage options. Our new exclusion DG 21 13 06 07 closely tracks with the new endorsements. These proposed forms create additional options to keep us competitive and make this type of coverage more broadly available in the marketplace.

We feel these new coverage options and exclusionary endorsement enable us to meet the ever changing needs of existing and potential customers. Due to the unique nature of these endorsements, coverages will be determined on an “a” rated basis.

Please refer to the enclosed Forms Memorandum for more specific information regarding the following endorsements.

- DG 21 13 06 07, Exclusion – Abuse and Molestation
- DG 24 33 06 07, Limited Abuse or Molestation Liability Coverage
- DG 24 34 06 07, Limited Abuse or Molestation Liability Coverage – Not-For-Profit Entities

We plan to implement these changes with respect to policies effective on or after **November 1, 2007**. Your approval of this filing will be appreciated. Should you have any questions regarding this submission, please feel free to contact me at your convenience.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Pohlman".

Kathy Pohlman, CPCU, AIS  
Senior Regulatory Analyst  
KP/kac

Enclosures